

TITLE I
ADMINISTRATION

CHAPTER 6
ORGANIZATION, PUBLIC INSPECTION

[Prior to 10/7/87, see Revenue Department[730] Ch 6]

701—6.1(17A) Establishment, organization, general course and method of operations, methods by which and location where the public may obtain information or make submissions or requests.

6.1(1) *Establishment of the department of revenue and finance.* By an Act of the general assembly (chapter 1245, Acts of the 71st GA), a department of revenue and finance was created in lieu of three separate state agencies. The department is administered by the director with a three-member state board of tax review and a five-member lottery board established within the department for administrative and budgetary purposes. As to the organization and functions of the state board of tax review, see rules contained in 701—Chapters 1 to 5. As to the organization and functions of the lottery board, see rules contained in 705—Chapters 1 to 10.

The department of revenue and finance in recognizing its responsibilities has adopted the following creed to guide and lend direction to its endeavors:

“The Department of Revenue and Finance is dedicated to serving the citizens of Iowa and other public officials, while performing the following missions:

- Collect all taxes due, which any person may be required by law to pay, but no more;
- Conduct the Iowa lottery in an effort to maximize the amount of revenues for the state in a manner that maintains the dignity of the state and the general welfare of its people;
- Manage the state’s financial resources by utilizing generally accepted accounting principles and procedures, by operating cost-effective accounting and payroll systems, by processing claims timely and accurately, and by preparing and issuing financial statements.

“In carrying out these missions, the department resolves to provide the best service possible in a cordial and helpful manner and to provide maximum opportunity and incentive for the professional growth and development of all our employees.”

The office of the department is maintained at the seat of government in the Hoover State Office Building, P.O. Box 10460, Des Moines, Iowa 50306. The lottery division maintains an office at 2015 Grand Avenue, Des Moines, Iowa 50312.

The department maintains field offices in six regions of the state and in seven cities outside the state.

6.1(2) *Organization.* For ease of administration, the director has organized the department into divisions which are in some instances further divided into bureaus, sections, subsections and units.

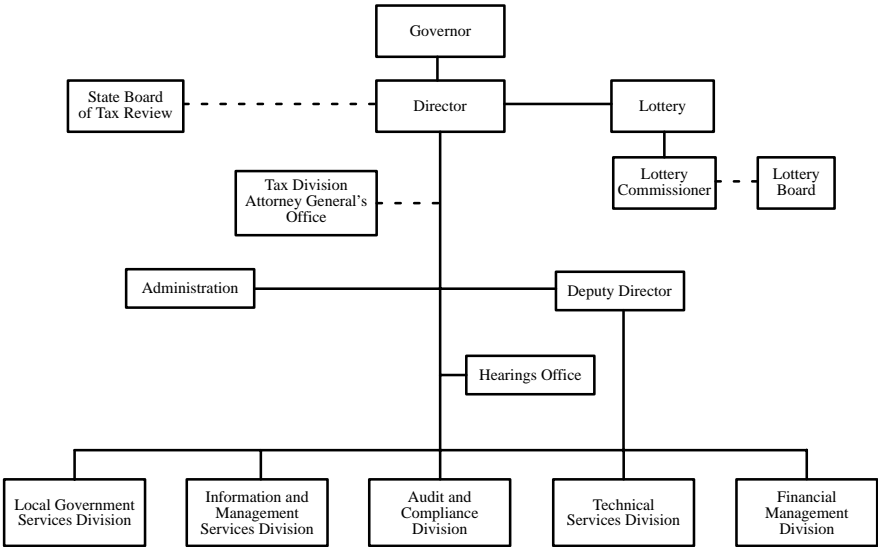
6.1(3) *Methods by which and location where the public may obtain information or make submissions or requests.* The department of revenue and finance maintains its principal office in the Hoover State Office Building, P.O. Box 10460, Des Moines, Iowa 50306, and maintains regional offices located in Sioux City, Waterloo, Council Bluffs, Des Moines, Cedar Rapids, and Davenport. This affords members of the public two possible alternatives for obtaining information or making submissions or requests depending upon the person’s particular location and the type of information needed.

a. Principal office. Members of the public wishing to obtain information or make submissions or requests on any matters may do so at the department’s principal office. Applications for permits or licenses may be obtained and submitted at the principal office and any assistance needed in filling out the applications will be provided if the taxpayer so desires. Requests for confidential information should be submitted to the director and the appropriate form will be provided and should be filled out and submitted to the director. Members of the public wishing to inspect information required to be made available to members of the public may do so in the director’s office.

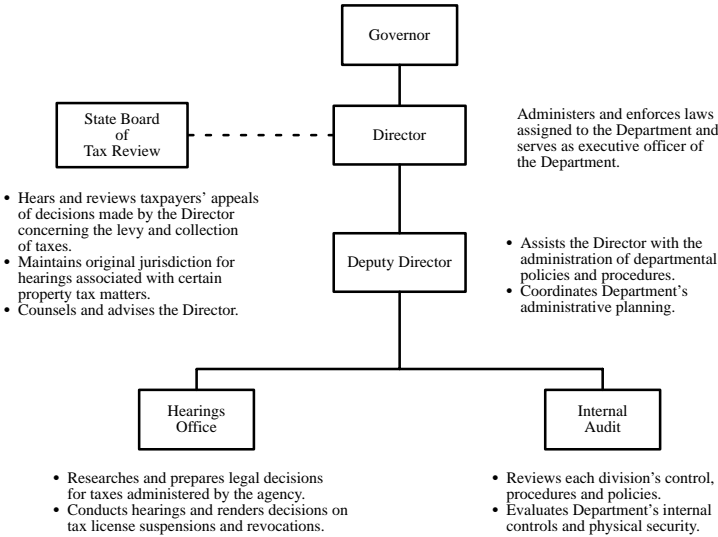
b. *Regional offices.* The regional offices provide an excellent means of aiding taxpayers. Members of the public desiring forms, aid, assistance or other information are encouraged to contact the regional office located in their particular area. However, regional offices do not have facilities for making available all matters available for public inspection under 6.2(17A). The regional offices and auditors do have copies of all rules and will make them available to the public. Members of the public needing forms or needing assistance in filling out forms are encouraged to contact the regional offices.

This rule is intended to implement Iowa Code sections 421.14 and 422.1.

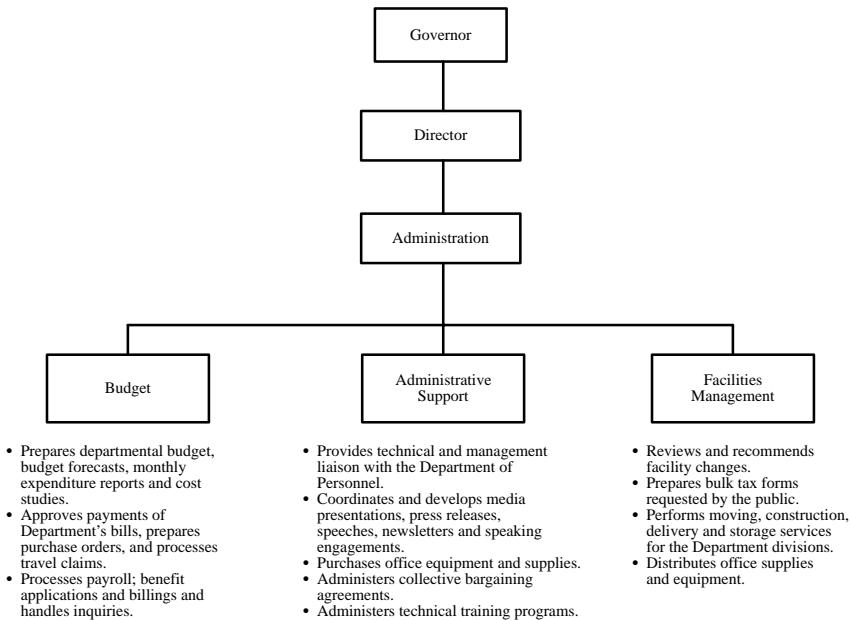
DEPARTMENT OF REVENUE AND FINANCE



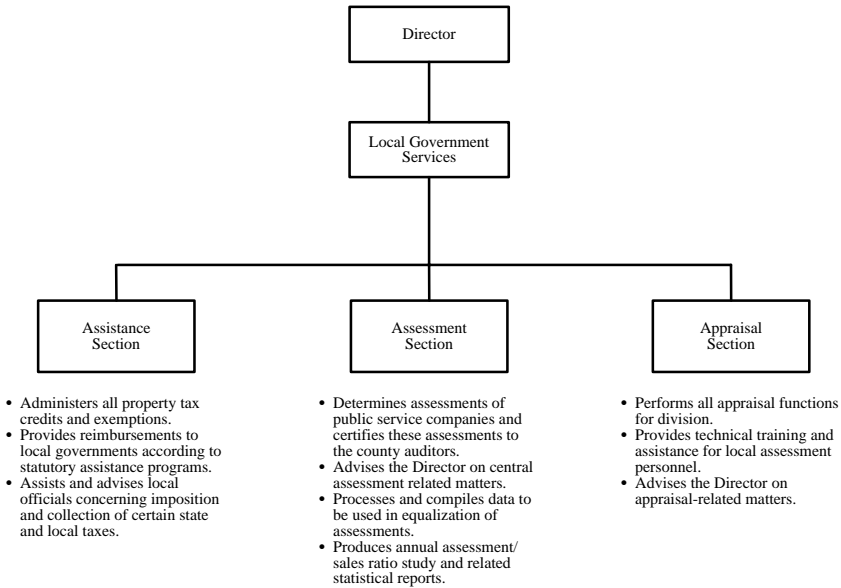
ADMINISTRATION



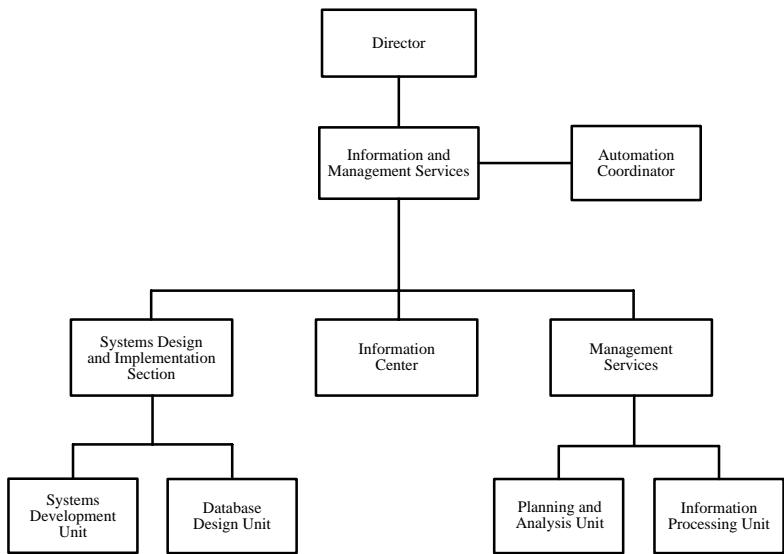
ADMINISTRATION



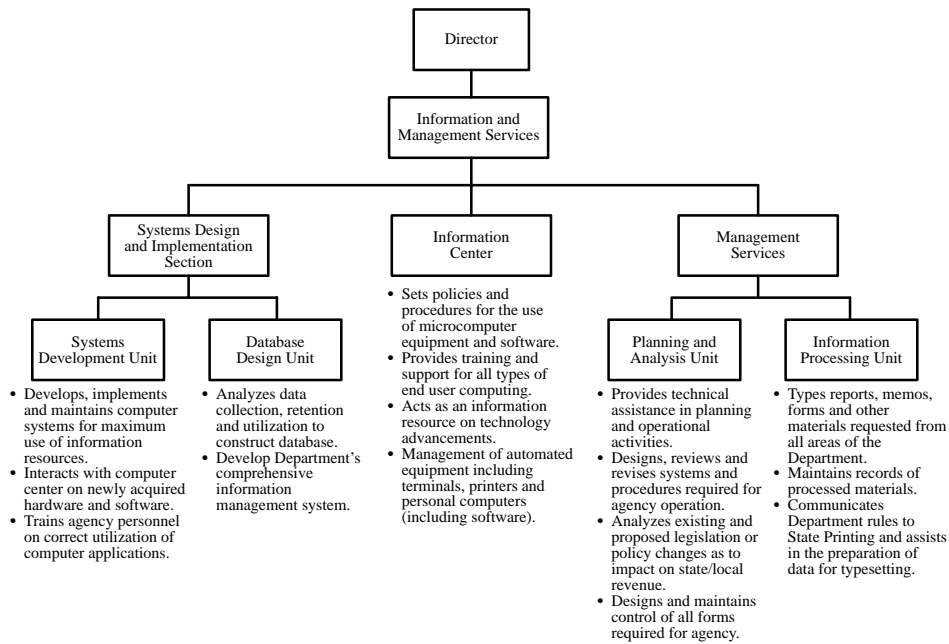
LOCAL GOVERNMENT SERVICES



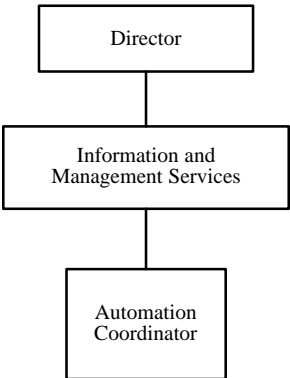
INFORMATION AND MANAGEMENT SERVICES



ADMINISTRATION

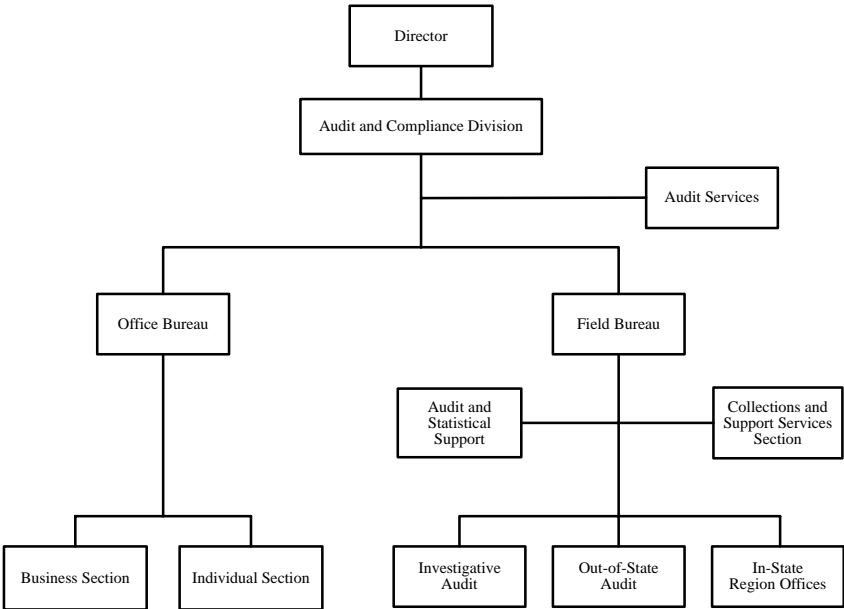


INFORMATION AND MANAGEMENT SERVICES

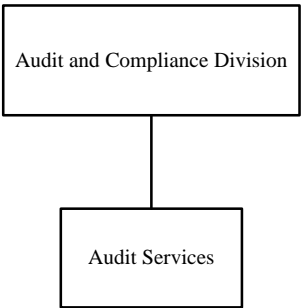


- Coordinates long- and short-range planning for automation of agency activities.
- Reviews and recommends further enhancements for automation equipment.
- Coordinates necessary security procedures relevant to automated information system.

AUDIT AND COMPLIANCE DIVISION

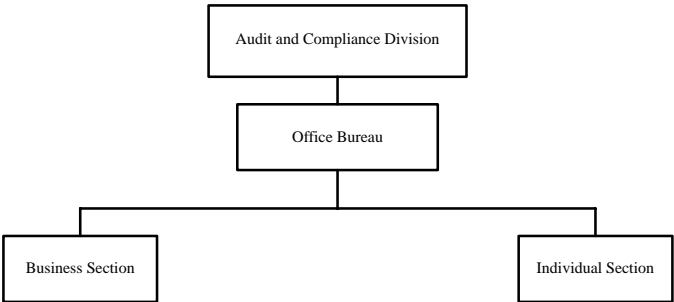


AUDIT AND COMPLIANCE DIVISION
Audit Services



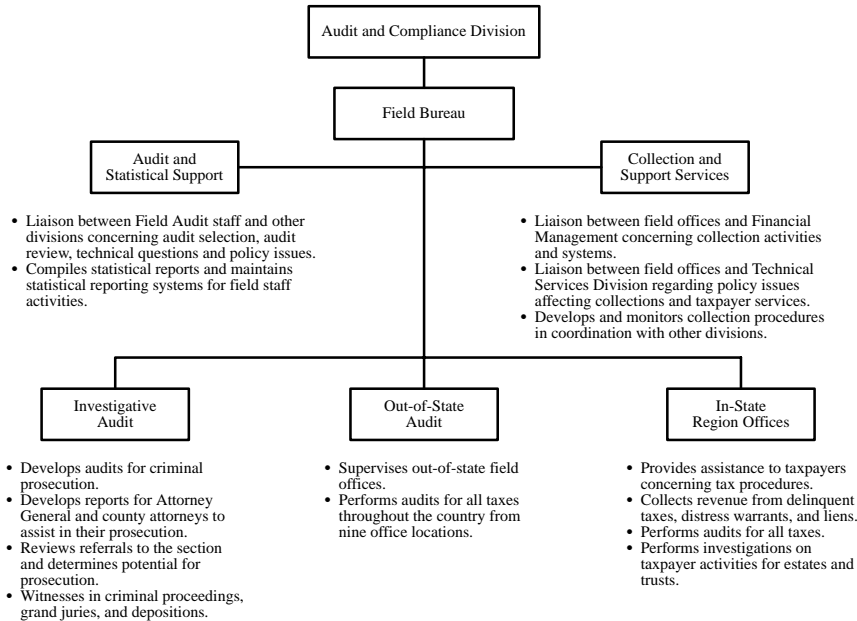
- Develops selective audit criteria for both field audits and office audits; selects programs for testing; monitors test results and makes recommendation for audit programs.
- Participates in the formal appeal process through writing fact sheets, resolution letters, informal conferences and audit matters.
- Conducts various special projects for the Department such as: selective office and field audit review; drafting audit manuals, developing audit standards and quality control; conducting training sessions; and preparing statistical information for various reports.

AUDIT AND COMPLIANCE DIVISION
Office Bureau

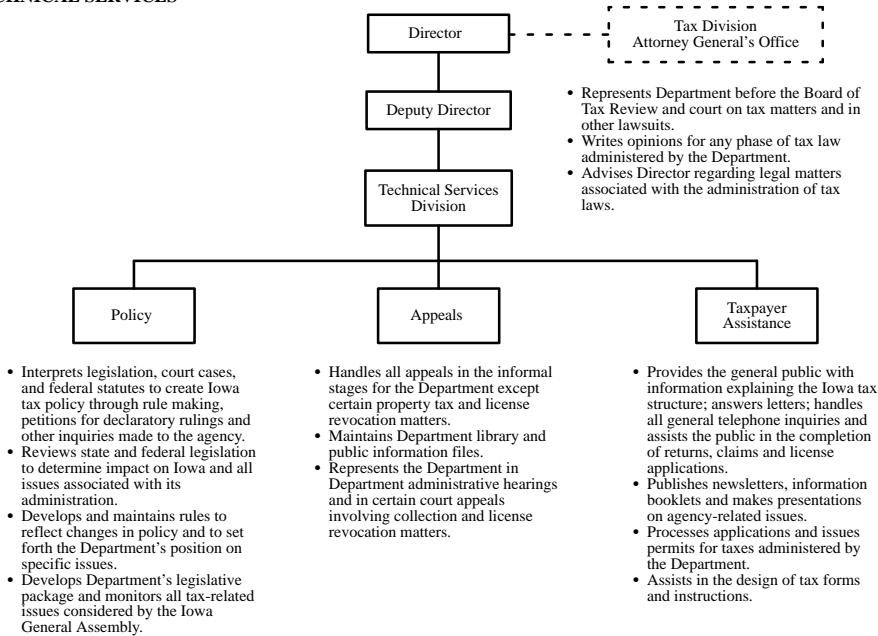


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| <ul style="list-style-type: none">• Conducts office audit of corporation returns for assessment or refund and enforces corporate nexus regulations and compliance with regard to Iowa nonfilers.• Performs franchise tax office examinations and determines the distribution of the franchise tax.• Examines, verifies and approves sales/use claims for refund and requests warrants for issue.• Reviews and corrects errors on motor vehicle fuel tax monthly and quarterly reports; reviews and approves MVF credit claims; and verifies gallonage shown on motor fuel terminal reports and matches to the motor fuel gallons reported as received by individual motor fuel distributors.• Processes and examines cigarette and tobacco reports and verifies sales of cigarette revenue to cigarette distributors. | <ul style="list-style-type: none">• Office examination of fiduciary, inheritance, and individual income tax returns.• Generates billings/refunds from office examinations.• Reviews federal audits and participates in federal/state exchange program.• Maintains federal printouts as required by the federal/state agreement.• Performs match programs to identify nonfilers and under reporting of income and refers potential criminal cases to Investigative Audit Unit. |
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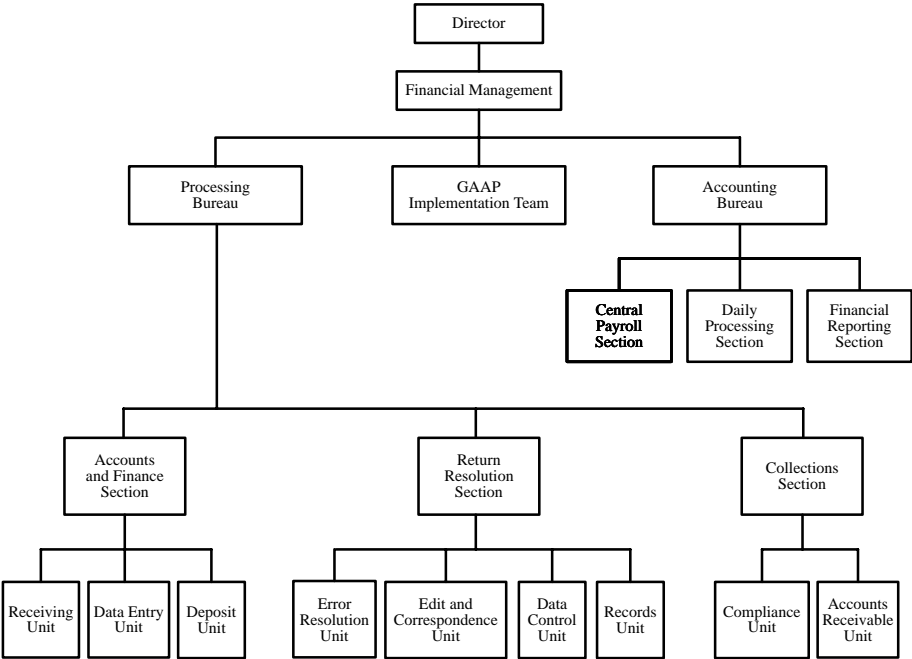
AUDIT AND COMPLIANCE DIVISION
Field Bureau



TECHNICAL SERVICES

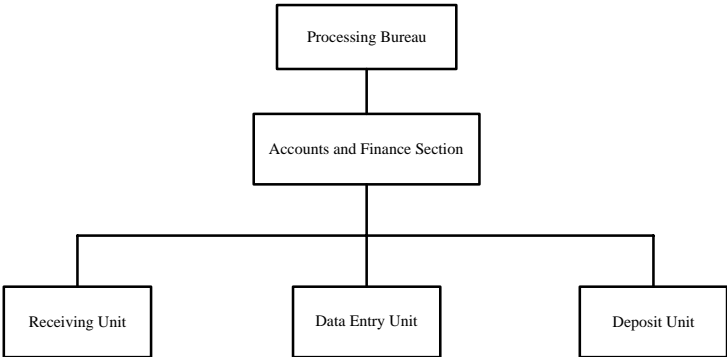


FINANCIAL MANAGEMENT



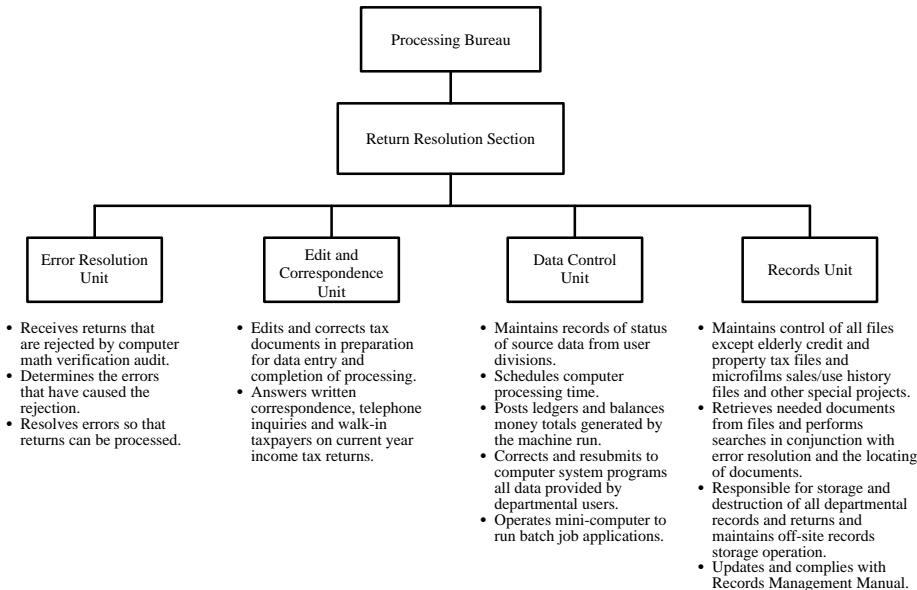
FINANCIAL MANAGEMENT

Processing Bureau
Accounts and Finance

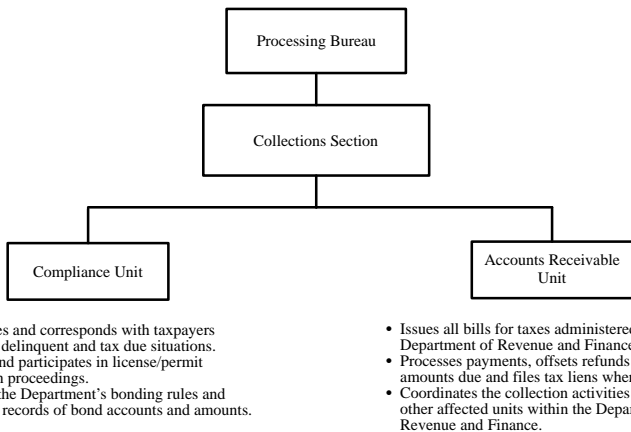


- Reconciles amount of money remitted to the amount reported on the returns.
 - Routes returns and documents to proper processing points.
 - Processes changes and cancellations for all tax systems administered by the Department.
- Transcribes data from forms and documents onto magnetic disks for computer utilization.
- Validates and batches incoming documents.
 - Keeps bookkeeping records of revenue received and prepares monthly revenue reports.
 - Separates checks from returns and encodes and deposits the checks.
 - Routes and maintains control of document flow.
 - Sells cigarette stamps to licensed distributors.

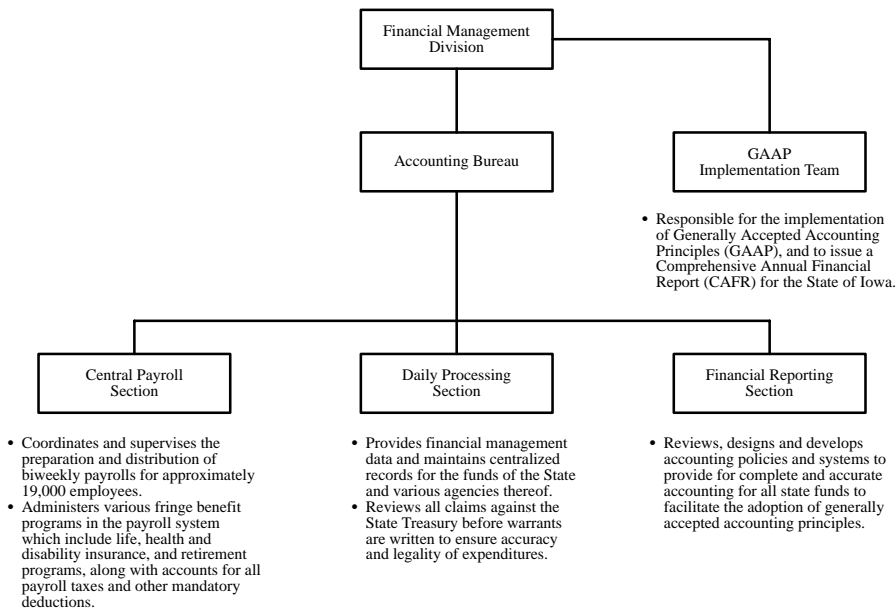
FINANCIAL MANAGEMENT
Processing Bureau
Return Resolution



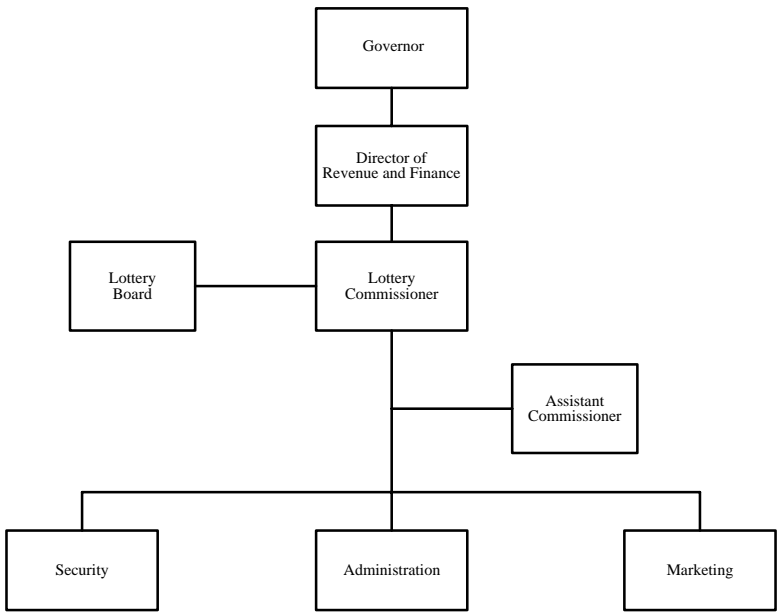
FINANCIAL MANAGEMENT
Processing Bureau
Collections Section



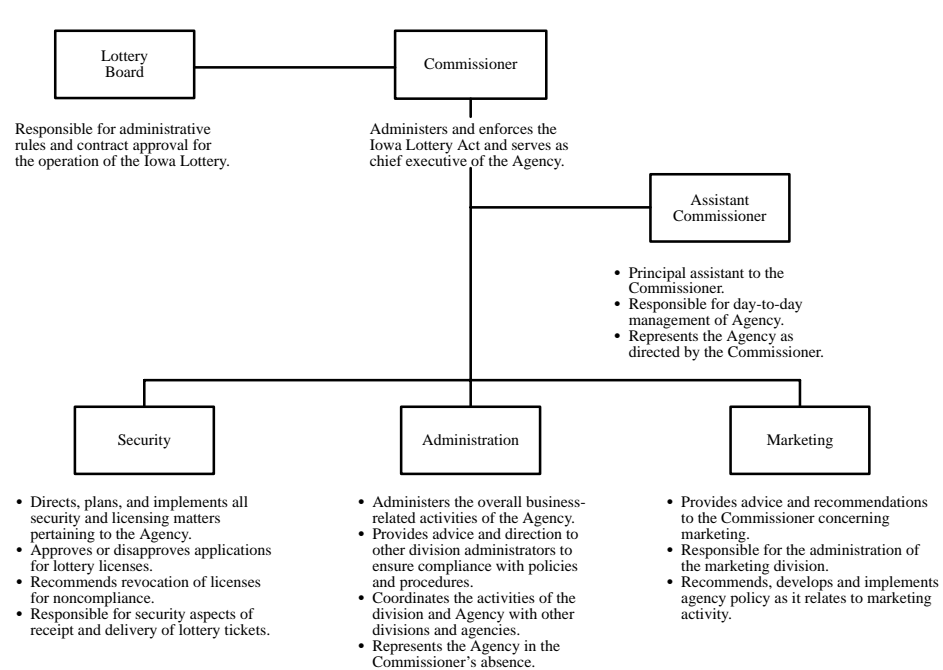
FINANCIAL MANAGEMENT
Accounting Bureau



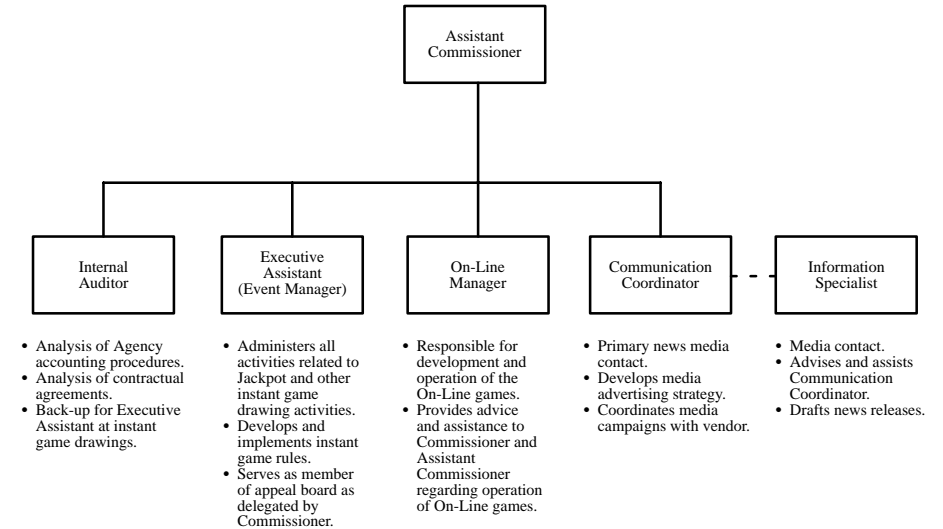
LOTTERY



LOTTERY



LOTTERY



701—6.2(17A) Public inspection. Effective July 1, 1975, Iowa Code section 17A.3(1) “c” and “d” provides that the department shall index and make available for public inspection certain information. Pursuant to this requirement the department shall:

1. Make available for public inspection all rules;
2. Make available for public inspection and index by subject all written statements of law or policy, or interpretations formulated, adopted, or used by the department in the discharge of its functions;
3. Make available for public inspection and index by name and subject all final orders, decisions and opinions.

Section 17A.3(1) “c” and “d” also excepts certain matters from the public inspection requirement:

Except as provided by constitution or statute, or in the use of discovery or in criminal cases, the department shall not be required to make available for public inspection those portions of its staff manuals, instructions or other statements issued by the department which set forth criteria or guidelines to be used by its staff in auditing, in making inspections, in settling commercial disputes or negotiating commercial arrangements, or in the selection or handling of cases such as operational tactics or allowable tolerances or criteria for the defense, prosecution, or settlement of cases, when the disclosure of such statements would: (1) enable law violators to avoid detection; or (2) facilitate disregard of requirements imposed by law; or (3) give a clearly improper advantage to persons who are in an adverse position to the state.

Identifying details which would clearly warrant an invasion of personal privacy or trade secrets will be deleted from any final order, decision or opinion which is made available for public inspection upon a proper showing by the person requesting such deletion as provided in 701—7.42(17A).

Furthermore, the department shall not make available for public inspection or disclose information deemed confidential under Iowa Code sections 422.20 and 422.72.

Unless otherwise provided by statute, by rule or upon a showing of good cause by the person filing a document, all information contained in any petition or pleading shall be made available for public inspection.

All information accorded public inspection treatment shall be made available for inspection in the office of the Policy Section, Compliance Division, Department of Revenue and Finance, P.O. Box 10457, Des Moines, Iowa 50306, during established office hours.

These rules are intended to implement Iowa Code chapter 17A as amended by 1998 Iowa Acts, chapter 1202.

701—6.3(17A) Examination of records by other state officials. Upon the express written approval of the director or deputy director of revenue and finance, officers or employees of the state of Iowa may examine state tax returns and information belonging to the department to the extent required as part of their official duties and responsibilities. Written approval will be granted in those situations where the officers or employees of the state of Iowa have (1) statutory authority to obtain information from the department of revenue and finance and (2) the information obtained is used for tax administration purposes. Where information is obtained from the department of revenue and finance on a regular basis, the director of revenue and finance may enter into a formal agreement with the state agency or state official who is requesting the information. The agreement will cover the conditions and procedures under which specific information will be released. The following persons do not need written approval from the director or deputy director of revenue and finance to examine state information and returns:

1. Assistant attorneys general assigned to the department of revenue and finance.
2. Local officials acting as representatives of the state in connection with the collection of taxes or in connection with legal proceedings relating to the enforcement of tax laws.
3. The child support recovery unit of the department of human services to secure a taxpayer’s name and address per the terms of an interagency agreement. (Also see Iowa Code section 252B.9.)

4. The job service division per the terms of an interagency agreement.
 5. The legislative fiscal bureau regarding sample individual income tax information to be used for statistical purposes. (Also see Iowa Code section 422.72(1).)
 6. The auditor of state, to the extent that the information is necessary to complete the annual audit of the department as required by Iowa Code section 11.2. (Also see Iowa Code section 422.72(1).)
- Tax information and returns will not be released to officers and employees of the state who do not meet the requirements set forth above. (See Letter Opinions, November 25, 1981, Richards to Bair, Director of Revenue, and March 4, 1982, Richards to Johnson, Auditor, and Bair, Director of Revenue.)

The director may disclose state tax information, including return information, to tax officials of another state or the United States government for tax administration purposes provided that a reciprocal agreement exists which has laws that are as strict as the laws of Iowa protecting the confidentiality of returns and information.

This rule is intended to implement Iowa Code sections 252B.9, 421.18, 421.19, 422.20, 422.72, and 452A.63.

701—6.4(17A) Copies of proposed rules. A trade or occupational association, which has registered its name and address with the department of revenue and finance, may receive, by mail, copies of proposed rules. Registration of the association's name and address with the department is accomplished by written notification to the Administrator, Compliance Division, Department of Revenue and Finance, Hoover State Office Building, Fourth Floor, Des Moines, Iowa 50319. In the written notification, the association must designate, by reference to rule 701—7.36(421,17A), the type of proposed rules and the number of copies of each rule it wishes to receive. If the association wishes to receive copies of proposed rules not enumerated in rule 701—7.36(421,17A), it may make a blanket written request at the time of registration or at any time prior to the adoption of such rules. A charge of 20 cents per single-sided page shall be charged to cover the actual cost of providing each copy of the proposed rule. In the event the actual cost exceeds 20 cents for a single-sided page, it will be billed accordingly.

This rule does not prevent an association which has registered with the department in accordance with this rule from changing its designation of types of proposed rules or number of copies of proposed rules which the association desires to receive. If an association makes such changed designation, it must do so by written notification to the Administrator, Compliance Division, Department of Revenue and Finance, Hoover State Office Building, Fourth Floor, Des Moines, Iowa 50319.

This rule is intended to implement Iowa Code section 17A.4 as amended by 1998 Iowa Acts, chapter 1202.

701—6.5(17A) Regulatory analysis procedures. Any small business as defined in Iowa Code section 17A.4A [1998 Iowa Acts, chapter 1202, section 10] or organization of small businesses which has registered its name and address with the department of revenue and finance shall receive by mail a copy or copies of any proposed rule which may have an impact on small business. Registration of the business's or organization's name and address with the department is accomplished by written notification to the Policy Section, Compliance Division, Department of Revenue and Finance, Hoover State Office Building, P.O. Box 10457, Des Moines, Iowa 50306. In the written notification, the business or organization must state that it wishes to receive copies of rules which may have an impact on small business, the number of copies of each rule it wishes to receive, and must also designate, by reference to rule 701—7.36(421,17A), the types of proposed rules it wishes to receive. If the small business or organization of small businesses wishes to receive copies of proposed rules not enumerated in rule 701—7.36(421,17A), it may make a blanket written request at the time of registration or at any time prior to the adoption of the rules. A charge of 20 cents per single-sided page shall be imposed to cover the actual cost of providing each copy of the proposed rule. In the event the actual cost exceeds 20 cents for a single-sided page, it will be billed accordingly.

The administrative rules review committee, the administrative rules coordinator, at least 25 persons signing that request who qualify as a small business, or an organization representing at least 25 such persons may request issuance of a regulatory analysis by writing to the Policy Section, Compliance Division, Department of Revenue and Finance, Hoover State Office Building, Des Moines, Iowa 50319. The request shall contain the following information: the name of the persons qualified as a small business and the name of the small business or the name of the organization as stated in its request for registration and an address; if a registered organization is requesting the analysis, a statement that the registered organization represents at least 25 persons; the proposed rule or portion of the proposed rule for which a regulatory analysis is requested; the factual situation which gives rise to the business's or organization's difficulties with the proposed rule; any of the methods for reducing the impact of the proposed rule on small business contained in Iowa Code section 17A.4A [1998 Iowa Acts, chapter 1202, section 10] which may be particularly applicable to the circumstances; the name, address and telephone number of any person or persons knowledgeable regarding the difficulties which the proposed rule poses for small business and other information as the business or organization may deem relevant.

This rule is intended to implement Iowa Code section 17A.4A [1998 Iowa Acts, chapter 1202].

701—6.6(422) Retention of records and returns by the department. The director may destroy any records, returns, reports or communications of a taxpayer after they have been in the custody of the department for three years, or at such later time when the statute of limitations for audit of the returns or reports has expired. The director may destroy any records, returns, reports or communications of a taxpayer before they have been in the custody of the department for three years provided that the amount of tax and penalty due has been finally determined.

This rule is intended to implement Iowa Code section 422.62.

701—6.7(68B) Consent to sell. In addition to being subject to any other restrictions in outside employment, self-employment or related activities imposed by law, an official of the department of revenue and finance may only sell, either directly or indirectly, any goods or services to individuals, associations, or corporations subject to the authority of the department of revenue and finance when granted permission subsequent to completion and approval of an Iowa department of revenue and finance application to engage in outside employment. The application to engage in outside employment must be approved by the official's immediate supervisor, division administrator, and the administration division administrator. Approval to sell may only be granted when conditions listed in Iowa Code section 68B.4 are met.

This rule is intended to implement Iowa Code section 68B.4.

[Filed July 1, 1975]

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